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June 7, 2005

Nordev Group
Ms. Rhona Guertin
151 Ontario Avenue
Elliot Lake, ON
P5A 2T2

***Phase I Environmental Site Assessment
151 Ontario Avenue, Sudbury, ON***

Trow Associates Ltd. has completed a Phase I Environmental Site Assessment (ESA) at the above-mentioned site (Trow report S02574E dated January 4, 2005), for Sobey's Ontario Division.

It is our understanding that Nordev Group will be acquiring a copy of the report in question and intends to rely upon the findings and conclusions therein.

Any reliance of Nordev Group on Trow report S02574E is subject to the original conditions and limitations outlined in the report itself. The conclusions and assessments contained within the report were based on current environmental regulations in place at the time the study was completed.

Notwithstanding that the report was prepared for Sobey's Ontario Division, and in consideration of the preceding comments, we hereby consent to Nordev Group's reliance on the report to the same extent as the original parties for whom the report was prepared. We request that you do not provide the report to any other party without our written consent, and that any party who does receive the report acknowledge in writing that they accept the limitations within.

We trust this information is of assistance. If you have any questions, please do not hesitate to contact the undersigned directly.

Yours truly,

Trow Associates Inc.

Liz Cooke
Environmental Technician

Tom Crilly, M.Sc., P.Eng.
Branch Manager/Sr. Geotechnical Engineer



Any electrical equipment containing PCBs must be disposed of in accordance with Ontario Regulation 362 when it is removed from service for disposal (While in operation, any PCB containing devices are not considered PCB until out of service).

Fluorescent light fixtures were observed throughout the Site building, however, during recent renovations all lighting fixtures were reportedly replaced within the IGA.

4.1.6.2 Asbestos-Containing Materials (ACMs)

Asbestos-containing materials (ACMs) are fibrous hydrated silicates, and can be found in building materials as either "unbound" or "bound" asbestos. Friable asbestos refers to materials where the asbestos fibres can be separated from the material with which it is associated. Non-Friable asbestos refers to asbestos, which is associated with a binding agent (such as tar or cement). Friable asbestos is commonly found in boiler and pipe insulation. Non-Friable asbestos is typically found in roofing tars, floor and ceiling tiles, and asbestos cement.

ACMs in the workplace are defined as a Designated Substance under the Ontario Occupational Health and Safety Act (OHSA). Under OHSA, persons in the workplace are required to be notified of the presence of ACMs once they are suspected to be present, and if there is a potential for workers to be exposed. The use of ACMs was discontinued in Canada in the late 1970s/early 1980s, although friable asbestos can still be found in recently constructed buildings.

Based on our observations and the previous Designated Substance Survey results presented in the 1999 report produced by Pinchin Environmental Ltd., ACMs were found within parging cement in a repaired pipe fitting in the sprinkler room on the main water feed. Ceiling tiles were also found to contain asbestos and it is suspected that roof drain lines and vinyl floor tiles are possible ACMs. The Previous Pinchin report did not indicate exact locations of the ACMs. Trow did not conduct any sampling for asbestos during the Site inspection.

4.1.6.3 Ozone Depleting Substances (ODSs)

Freons and halons often comprise of chlorofluorocarbons (CFCs), which were banned from production in Canada in 1996, with the ban on their use slated for 2010. The use of these materials is still permitted but equipment must be serviced by a licensed contractor, such that CFCs are contained and not released to the environment during servicing or operation.

The Site building has an air conditioning unit that likely contains hydrochlorofluorocarbons (HCFCs) R-22, and it was noted in the compressor room, which powers the refrigeration units for the grocery store, that R502 refrigerant is being stored and used. A licensed refrigeration contractor (JP Martin Refrigeration) maintains these units. Under the management of a licensed contractor, the subject systems do not represent a significant threat

6. Conclusions

The results of this Phase I ESA indicate the following conclusions in table format regarding the expected environmental conditions and potential liabilities of the Site:

APEC	Media	PCOCs	Comments	Relative Degree of Environmental Risk
Subject Property				
Regulated Building Materials	Air	Asbestos	Based on the age of the building and the results of the site visit, there is a potential for the presence of asbestos-containing materials to be present in the subject site building. Trow was provided with the Pinchin Environmental Designated Substance and PCB report, dated May 10, 1999, which outlines the presence of Asbestos within the building, but does not make specific reference to the IGA. These materials, if present, do not pose a risk to current occupants as long as they are in use and in good condition.	Low unless demolition or renovation planned
Regulated building materials	Soil and Groundwater	Polychlorinated biphenyls (PCBs)	All light fixtures within the Site building (IGA) have been updated with modern fluorescent lighting units, therefore PCB-containing light ballasts are not likely to be present on the site property. Transformers located outside the building are owned by Ontario Hydro and have reportedly been tested to confirm the absence of PCB's. Trow did not receive any documentation regarding PCB content of the transformers. These materials, if present, do not pose a risk to current occupants as long as they are in use	Low
A fuel oil AST (Above ground Storage Tank) exists within the generator storage room	Soil and Groundwater	Heating Oil: Benzene, ethylbenzene, toluene, xylenes (BETX), and petroleum hydrocarbons	The fuel oil tank has been in place since 1980 and appears to have a small leak at the top of the tank. Based on the age of the AST, and the above noted observations, the ability to properly contain fuel may be jeopardized.	Low
Regulated Building Materials	Air, Soil and Groundwater	Mercury	Based on the results of the site visit, there is a potential for the presence of mercury-containing thermostats to be present in the	Low unless demolition or renovation



7. Recommendations

To reduce the degree of uncertainty regarding the issues identified during this Phase I ESA, the recommendations and the rationale for proposing such recommendations are provided in the following table:

Issue Identified	Recommendation	Rationale
Asbestos-containing materials were identified during the previous Designated Substance Survey conducted on the subject site building by Pinchin Environmental in 1999.	If renovation or demolition of the building is planned, it is recommended that these materials be managed in accordance with the applicable regulations and guidelines.	Once asbestos-containing materials are disturbed, asbestos fibres may be air-borne and pose health concerns.
A fuel AST exists in the basement within the generator room.	Inspection of tank by qualified contractor.	Due to the age of the tank, it may not be functioning properly. The AST leak should be addressed to prevent potential impact to the soil and groundwater.
There is a potential for the presence of mercury-containing thermostats.	If renovations or demolition are planned, it is recommended that these materials be assessed and managed in accordance with applicable regulations and guidelines.	To eliminate exposure to the workers and potential impact to the soil and groundwater.
Lead-based paint was identified in the basement during the previous study conducted by Pinchin Environmental.	If renovations or demolition are planned, it is recommended that this material be assessed and managed in accordance with applicable regulations and guidelines.	To eliminate exposure to the workers and potential impact to the soil and groundwater.